

Message Text

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43

ORIGIN XMB-04

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P 301812Z APR 76

FM SECSTATE WASHDC

TO AMEMBASSY BRASILIA PRIORITY

INFO AMCONSUL RIO DE JANEIRO PRIORITY

AMCONSUL SAO PAULO PRIORITY

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E.O. 11652: N/A

TAGS: EFIN, EAIR, BEXP

SUBJECT: FRENCH EFFORTS TO SELL A-300B AIRBUSES

REF: (A) BRASILIA A-139, AUGUST 14, (B) RIO DE JANEIRO

1010

1. EXIMBANK APPRECIATES BRASILIA NO. 3354; BACKGROUND
INFORMATION INCLUDED THEREIN MOST HELPFUL.

2. EXIMBANK'S UNDERSTANDING OF CREDIT TERMS FOR PREVIOUS
A-300B SALES YOU REQUESTED PLUS PENDING A-300B SALES IN
WHICH EXIMBANK MAY BE INVOLVED FOLLOWS:

A. IN 1975, INDIAN AIRLINES, 90 PERCENT FINANCING
FOR SALE OF 3 A-300BS AT 8 PERCENT INTEREST REPAYABLE
IN 10 YEARS WAS OFFERED. IF THE AIRCRAFT ARE LEASED,
THE INTEREST RATE WOULD BE 7.5 PERCENT FOR 100 PERCENT
FINANCING REPAYABLE OVER 12 YEARS.

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B. LUFTHANSA IN 1975: 85 PERCENT FINANCING FOR SALE OF
2 A-300BS AT 7.0 PERCENT INTEREST. REPAYMENT OVER 12 YEARS.

C. KOREAN AIRLINES IN 1975: 6 A-300BS AT 6.0 TO 7.0 PER-
CENT INTEREST. PERCENT OF FINANCING OFFERED AND REPAY-
MENT TERM NOT KNOWN.

D. SUD-AFRIKAANSE IN 1975: 90 PERCENT FINANCING FOR
4 A-300BS AT 8.0 PERCENT INTEREST REPAYABLE OVER
10 YEARS.

E. VASP (PENDING): 86 PERCENT FINANCING OF 3 A-300BS
AT 7.5 PERCENT INTEREST REPAYABLE IN 10 YEARS AFTER
A TWO YEAR PAYMENT MORATORIUM. INFORMATION AVAILABLE

TO EXIMBANK INDICATES INDICATES THAT FIRST TWO YEARS
ARE UNDER A "LEASE-TYPE" ARRANGEMENT FOR A TOTAL CREDIT
PERIOD OF 12 YEARS.

F. SINGAPORE AIRLINES (PENDING): 90 PERCENT FINANCING
OF 5 A-300BS AT 8.0 PERCENT INTEREST REPAYABLE IN TEN
YEARS AFTER A FIVE YEAR PAYMENT MORATORIUM.

3. EXIMBANK VIEWS TERM ESCALATION WITH CONCERN AND HAS
VOICED SAID CONCERN TO FRENCH. SISCO

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